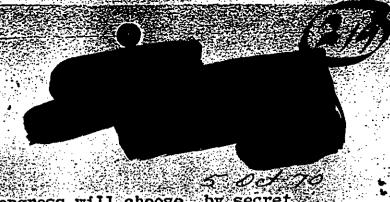
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On 24 October the Chilean Congress will choose, by secret ballot, between the two candidates, Salvador Allende and Jorge Alessandri, who obtained 36.3% and 34.9% respectively of the popular vote in the 4 September election. Allende's election is not assured, since there is a legal and constitutional alternative: Alessandri has promised to resign if he is elected, thus making possible a new election in which president Frei could participate and which would provide an alternative to a Marxist government which does not really represent the vast majority of the Chilean electorate.

Frei has been encouraging the maneuver to line up PDC votes for Alessandri, whose statement regarding his resignation if elected was coordinated in advance with Frei. But Frei no longer controls his party's congressional votes. This is partly the result of a secret agreement made three days prior to the 4. September election between PDC presidential candidate Radomiro Tomic and Allende, whereby each agreed to support the other at Alessandri's expense. The large left-wing PDC faction led by Tomic has already endorsed Allende. In addition Bernardo Leighton, once a close collaborator of Frei and certainly not a Marxist, harbors a grudge against Frei for having ignominiously removed him from his post as Minister of Interior two years ago, and has warned Frei that he intends to deliver to Allende the votes he controls as PDC Vice President.

On 23 September a delegation from the PDC met privately with Allende to present, the PDC's list of "guarantees" which, if met, would induce the PDC to cast the votes of all 75 of its parliamentary members for Allende. Allende agreed to the guarantees, subject to their ratification by the Union Popular (the coalition of Communist, Socialist and other leftist parties which supported his presidential candidacy), but he asked that some of the guarantees, especially those concerning the Armed Forces, remain secret. On 30 September, however, Allende made long speech formally rejecting all the guarantees on behalf of the U.P., stating that his own "democratic" reputation was sufficient safeguard for the continuation of a pluralistic society in Chile. The National Executive Council of the PDC rejected Allende's response as "incomplete and unsatisfactory" and it began to look as if the anti-Allende forces in the PDC had gained the upper hand and that the PDC Party Convention, which began its meeting on 3 October, might decide to instruct its Congressional representatives not to vote for Allende. But Communist Party leaders, who are not at all concerned about making "guarantees" which they have no intention of honoring, want as big a margin as possible in the Congressional vote in order to be able to propagandize outside Chile that Allende has the support of the whole country and that there is virtually no opposition to his government. The Communist Party therefore had favored making the guarantees, which were copposed by the Socialist Party, and was able to convince their allies in? the U.P. to reverse themselves. On 2 October, only 16 hours before the scheduled opening of the PDC's climactic congress,

Allende's U.P. issued a statement offering to negotiate the PDC's demands for constitutional guarantees. This U.P. reversal strengthened those PDC leaders, like Tomic and Foreign Minister Gabriel Valdes, who are working to split the PDC because they have been secretly offered key posts in the Allende administration, and on the night of 4 October the PDC voted 271 to 191 to support Allende on condition that constitutional guarantees be arranged beforehand.

The swift U.P. action in reversing its position on the PDC.

"guarantees," demonstrated once again the Communist Party's

superior and swift capacity to control events. The Communists

moved fast after the 4 September election to gain control of

key media organs in Chile. Using the tactics employed by the

Soviets in Czechoslovakia in 1948, the Communists visited key

radio and television stations demanding that station newsrooms

be: placed under their management, and subjected journalists and

broadcasters who refused to support Allende to a barrage of

threats of physical violence. Having achieved their purpose

quickly (most major Chilean media have now reached some sort of
accommodation with the Allende forces even if they are not under

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direct Communist control, like University of Chile TV Channel 9 and Catholic University Channel 13), the Communists then ceased their open intimidation campaign and are trying to remain inconspicuous, clandestinely organizing "workers cooperatives" which are prepared to take control from within once Allende has been safely inaugurated. These Communist tactics have caused a considerable amount of conflict and tension within the U.P., since the Socialist Party is jealous of Communist successes in obtaining control of key organizations and posts in universities, media, factories and other public sectors. The Socialists are secretly trying to take advantage of the Communist desire not to appear prominent in pre-inaugural political machinations and are suggesting that most of the prominent positions in any Allende government should be given by Socialists for appearances, so as to keep the Communists behind the scenes. The Communists in their turn are irritated by Socialist insinuations that their close ties with Moscow tend to tarnish the Chilean image of the Communist Party, although they continue painstaking efforts to play down their Soviet ties: Party Secretary General Luis Corvalan went all the way to Montevideo, ostensibly as the Chilean delegate to the Uruguayan Communist anniversary, in order to meet his Soviet contacts, and the Communist press in Chile no longer reports the arrival of Soviet officials or technicians, although this news would have been given top billing a month ago.

Meanwhile Allende is already behaving like the Presidentelect, and is trying to lull the widespread fears generated by strong-arm Communist tactics immediately after the election. He says his government will not be totalitarian (but adds he

does not consider Communism to be totalitarian) and is offering something to everyone, wooing the Alessandristas with promises to use their technical and managerial talents in his new administration, and offering security and better pay to the military, which is torn between its long tradition of non-intervention in Chilean politics and its fears of the Communists, whose plans are

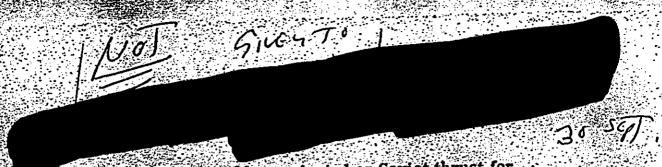
known to call for immediate Communist control of the Carabineros (military police) and of civilian intelligence services. Military leaders are particularly concerned by Communist plans to deploy thousands of well organized Party supporters to strategic locations in Santiago on October 24 (Congressional election day).

The most ominous of all post-election developments is the rapid growth of "Popular Unity Committees;" It was estimated that there were over 8,000 of these at the end of the electoral campaign, and since then they have greatly increased throughout all national sectors under the direction of the strong and well disciplined Communist Party. (See Novitsky article in Internal Section of October 4 New York Times.) Their tactics yary, but the action of the Committees in Santiago's Catholic University is representative. On 25 September the Committees began circulating a petition in each university faculty calling upon students

teachers and administrative personnel to Sign documents recognizing Allende as de facto President and placing individual faculties under U.P. control. Teachers and administrative officials who refuse to Sign are told that they will be fired when Allende takes office. (In June 1970 the Committees considered a similar operation which resulted in the unopposed ouster of all teachers employed by non-Marxist newspapers and radio stations.) Another sign of things to come in Chile is the fact that medical interms working under contract to the Communist-dominated Ministry of Public Health have found in their contract for the coming year a clause which obliges them to devote at least one hour daily for "lectures not related to their professional interests" — presumably political indectrination.

opposition to an Allende takeover. A group called "Patria y Libertad" has been sponsoring anti-Allende rallies and demonstrations such as a 2 October women's "March of Silence" in Santiago. According to the police groups of about 4,000 women participating in this march were attacked by U.P. youth, who threw rocks and other objects including razor blades at the women, with fighting becoming serious enough for the police to make 16 arrests. In addition, some PDC Congressmen and organizations have come out publicly against Allende. For example, on the night of 2 October the PDC National Department of Labor issued

Allende, and Congressman Pedro Araya Ortiz (PDC Antofagasta)
not only announced that he would not vote for Allende but
also protested the U.P. acts of revenge being carried out
against PDC supporters in his jurisdiction. But these
opposition activities remain largely unknown and unreported
even inside Chile, where the press, intimidated and fearful
of reprisals, is helping condition the Chilean public to
accept the inevitability of an Allende victory, even reprinting selected excerpts for the foreign press which give the
impression that Allende's victory was welcomed abroad and
that his regime will be viewed as an interesting socialist
experiment.



While eyes of the world are riveted on Soviet thrust for domination in relatively distant areas such as Middle

East, Vietnam, Mediterranean and Indian Oceans....

- The Soviet threat is expanding, almost surreptitiously, at the soft underbelly of the United States, Latin America.
- Soviet diplomatic relations with the South American countries, limited to a handful even six years ago, now covers every country on the South American continent except Paraguay.
 - The latest Soviet stroke, greatly underestimated by most observers, was the minority victory (36.3% of yote) of a Popular Unity candidate in Chile, socialist Salvador Allende Gossens, who was elected with the dominant support of the Chilean Communist Party.
 - Within two years if not within months Chile will become a Soviet-controlled stronghold.

This will give the USSR land bases in Latin America both in the Atlantic (Cuba) and the Pacific (Chile) from which they can menace the Panama Canal and the United States.

In time bases in these areas could be hardened to pose an impervious threat to our strategic defenses.

Will Chile become a Soviet bastion?

The issue revolves around an evaluation of Allende. There are those who will say he is a Fabian Socialist, an expest reformer, or an opportunist. He is none of these, Unlike Castro, who emerged onto the world scene as a virtual unknown with a dubious ideological history, Doctor Allende has been a convinced Marxist since 1933, often to the left of the Soviet lining Chilean Communist Party. Since 1954 when he became vice president of the World Peace Council and headed a delegation invited by the Chilean-Soviet Cultural Institute to tour Czechoslovakia and the USSR, he has been closely linked to the Soviets.

When Castro was advocating the violent revolutionary road to power; Allende began to drift from the Soviet line and

moved to their left. However, when the Soviets finally succeeded in dominating Castro he again began to espouse

the peaceful road to revolution.

- His nomination as the Popular Front candidate was entirely
maneuvered by the Chilean Communists, at times into the
very teeth of Allende's own Socialist Party where he had
some serious internal political and philosophical rivals.

(The party itself was still expounding the guerrilla theory
after Allende himself had moved over to the Soviet position.)

Proof of his close ties to Castro, and Moscow are the instructions Castro had delivered to him

This message,

paraphrased, said:

IT WOULD BE PREFERABLE IF CASTRO DID NOT GO TO THE ALLENDE INAUGURATION BECAUSE IT WOULD NEEDLESSLY AROUSE WORLD SUSPICIONS AND WOULD HAVE AN ADVERSE IMPACT ON WORLD OPINION.

Castro also advised Allende:

- A) KEEP THE TECHNICIANS IN THE GOUNTRY BEFORE
 YOU SUFFER A MASSIVE BRAIN DRAIN AS DID CUBA.
 HOLD THEM BY PERSUASION UNTIL YOUR INAUGURATION AND MY ADMINISTRATIVE MEASURES THEREAFTER.
- NOT COUNT ON OTHER MARKETS FOR BETTER CONDITIONS. IN ORDER TO USE AVAILABLE FUNDS FOR
 BUILDING YOUR MILITIA AND DEFENSE AGAINST THE
 POSSIBLE THREATS OF YOUR NEIGHBORS IT IS BEST NOT
 TO BECOME AN ECONOMIC DRAIN ON THE SOVIET UNION
 AND TO KEEP YOUR DOLLAR MARKETS OPEN AS LONG
 AS YOU CAN.
- ONE FOR 37 YEARS AND YOU HAVE NOTHING TO PROVE.

 DO NOT BEHAVE HASTILY LEST YOU GIVE THE COUNTERREVOLUTION A PRETEXT TO ATTACK YOU PREMATURELY
 AND UPSET YOUR ECONOMY NEEDLESSLY, WITH THE
 LEVERS OF POWER IN YOUR HANDS YOU WILL HAVE

TIME TO CARRY OUT: THE CHILEAN REVOLUTION.

Allende was most grateful for this advice.

(# ALL OF THE TEXT IN CAPS IS AN EXCLUSIVE.)

d) Try to maintain good relations with the Military. Give them no reason or pretext to overthrow your government until you have time to consolidate your base and popular support.